

EXHIBIT NO.

2

DATE:

3.20.13

BILL NO.

HB 171

**Montana Questions Regarding Program Integrity, Provider Verification Installation, Implementation, W**

1. Can you identify the Medicaid programs that you currently have contracts with to perform these functions under ACA?
  - States have been awaiting the Supreme Court decision and Presidential re-election to occur before adopting these Program Integrity services as outlined in Final Rule 6028.
  - CMS has contracted with Northrup Grumman/Verizon to deliver this service for Medicare and is in the implementation process now.
2. If Emdeon does not have a current contract with any State Medicaid programs, please identify states that have issued an RFI regarding this methodology.
  - Now that the Affordable Care Act has passed we are seeing RFIs and RFPs being released in such states: TX, WA, PA, RI, IL, FL, MN, and AZ respectively.
3. Can you please elaborate or outline a proposed process for how this would work, including the data transfer points, timing of the data transfers, expected time to obtain results, and the business process for how decisions are made to pay or deny a claim. After the hearing, I thought I heard you indicate the results are sent to the State to make a determination on the payment. If this is the process, please identify the estimated staff time to review claims for making this determination.
  - Emdeon Program Integrity predictive analytics for identification of aberrant claims and providers (aberrancy indicative of fraud, waste or abuse) are tuned to the state's book of business in order to identify claims and provider aberrancies that are specific to the state's business. Tuning utilizes 12 historical months of the state's paid claims data, and associated provider and beneficiary data and related lookup tables for provider specialties, etc. This historical data extract is delivered by the state in 3 incremental steps during a 1 to 3 month Data Provisioning phase. Data Provisioning ends at Emdeon Data Acceptance.
  - Implementation of the production Program Integrity solution requires an incremental 5 to 7 months after Data Acceptance. Approximately 1 month prior to Program Integrity Go Live, Emdeon trains the State's Program Integrity users in the use of Program Integrity with the Program Integrity solution that has been tuned to the state's book of business. Emdeon will also have loaded the state's 12 months of scored claims and providers into this training instance of Program Integrity. Typically, the State's users identify significant savings from their review of these scored claims and providers during training. Frequently, savings identified by the state at this point exceed the multi-year cost of the Program Integrity engagement. At approximately the same time as the state's users are trained in the use of Program Integrity, the state delivers a "gap file" of claims, provider and beneficiary data dated from the end of the state's 12 month historical extract to the then-current date, so that the production Program Integrity instance will have up to date scored claims and providers at Go Live.
  - In production, the state typically sends paid claims data to the Program Integrity solution on an hourly or daily basis. The state typically sends updated provider and beneficiary files to Program Integrity on a monthly basis.
  - Once implemented, an experienced, qualified claim reviewer can review a suspect claim in Emdeon Program Integrity in 30 seconds to 5 minutes, concluding with a Pay, Pend or

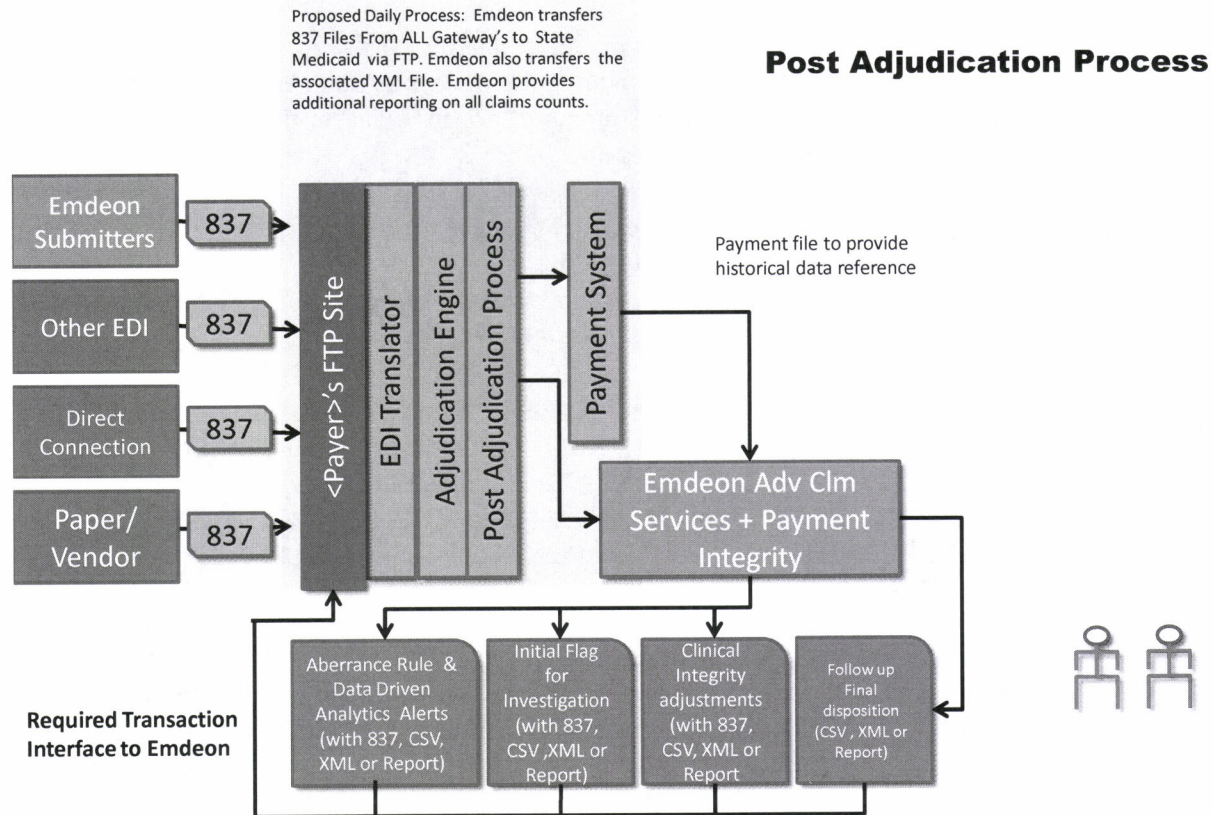


## Montana Questions Regarding Program Integrity, Predictive Modeling and Provider Verification Installation, Implementation, Workflow and Screenshots

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Deny decision. Experienced, qualified investigators require additional time to triage and investigate suspect providers using Emdeon Program Integrity.

**Exhibit A. Emdeon Program Integrity Post Adjudication Workflow:**



4. Can you provide an outline of the edits applied to the claims. Brief descriptions of the types of edits performed by claim type, or service type. If these involve any coding edits please describe how they differ from the NCCI edits.

Provider data is complex and constantly changing. A significant amount of provider demographic information changes each year, which often results in missing records or inaccurate information. That's why provider data validation is so important. Emdeon offers a systematic way to keep healthcare provider records accurate and up-to-date, saving you time and money.

1. **Pre- Pay Provider Data Validation:** The pre-adjudication in stream claim validation of deceased, retired, expired license, possible allegations of fraud and sanctioned providers, including provider sanction details and related professional background information, serves as an additional net to identify suspect claims and providers.



**2. Pre- Pay Predictive modeling with an integrated case management system with link analysis:**













Additional data-driven analytics capability can be recognized through our relationship with FICO (formerly Fair Isaac), which offers Montana Medicaid additional analytics capability in a standalone instance of Insurance Fraud Manager® (IFM). Our software scores medical claims at the claim line level, prior to payment, and rolls up the scores to the provider level, assigning a risk score to the claim. These scores are used to identify new, undiscovered, and emerging schemes as well as complex patterns of organized fraud and abuse. IFM ranks these scores with the most suspicious claims or providers at the top of the list. By adjusting score thresholds and creating business rules, the high scorers are routed to the appropriate reviewers based on level of risk and potential savings. Scores come with explanations that point reviewers to the specific part of a claim or provider's activity considered suspicious, and why. This tool assists the Strike Force agencies in focusing investigative resources where they will make the greatest impact.

- a. **Seeded Analytics:** The predictive analytics organization which serves as the backbone of the credit card fraud detection industry, to develop and deploy a solution unparalleled in the healthcare industry. This powerful solution uses a combination of patented profiling technology, predictive models, statistical analysis and rules to achieve a level of detection accuracy that is unmatched. The analytics models are seeded with close to one billion claims. By pairing analytics models with proprietary analytics and cross payer data base claims experience, this has created an unparalleled predictive analytics engine that is able to dig deeper into the data to find more potential savings.
- b. **Link Analysis :** The FICO solution includes a link analysis engine to find connections between transactions, people, third parties and discrete fraud events that can reveal previously-hidden fraud schemes. The combined capabilities expand the view of the fraud investigator and enable the identification of more-complicated fraud patterns, criminal fraud rings, and networks of collusive participants that might otherwise appear disconnected from a fraud problem. FICO's Infoglide identity resolution engine combines identity resolution capability that resolves common variations in spellings, nicknames, and other personal identification elements, with a linking engine that weighs the relevance of multiple identity elements in order to determine the likelihood that individuals and events are related, since relationships exposed through the analysis can be quite complicated. The link analysis engine also provides a clear, browserbased user-interface that allows the fraud investigator to quickly visualize and understand the nature of the relationships between individual actors and fraud events.






## Exhibit B: Predictive Modeling – Claims Scoring Example:

Claim	9n22223834	Total Paid	\$1,640.24
Member	W85128984bY0	Total Allowed	\$1,648.00
Lines	6	Total Billed	\$2,420.00
Provider	998A5788n (Specialty: 009)	Received Date	06/15/2007 05:00:00
Vendor	99939n339	Scored Date	12/31/2007 06:00:00

Claim Lines											
Display Line Detail	Line	Procedure	From Date	Units	Paid	Billed	Allowed	Status	Score	Reason	Same Decision
	1	99214	06/06/2007 05:00:00	1	\$87.24	\$100.00	\$95.00	Pending	968		
	2	92226	06/06/2007 05:00:00	2	\$54.00	\$150.00	\$54.00	Pending	985		
	3	92226	06/06/2007 05:00:00	2	\$54.00	\$150.00	\$54.00	Pending	985		
	4	92235	06/06/2007 05:00:00	2	\$300.00	\$350.00	\$300.00	Pending	968		
	5	92135	06/06/2007 05:00:00	2	\$130.00	\$170.00	\$130.00	Pending	968		
	6	67210	06/06/2007 05:00:00	1	\$1,015.00	\$1,500.00	\$1,015.00	Pending	968		

Details from Line 2											
Procedure	92226	Type of Service	D MED	Allowed	\$54.00	From Date	06/06/2007 05:00:00				
Modifiers		Place of Service	30	Billed	\$150.00	To Date	06/06/2007 05:00:00				
Diagnosis	36201,36283	Coordination of Benefits	\$0.00	Paid	\$54.00	Co-pay					

Analysis Result for line 2											
Overall Score : 985	Missing Modifiers										
 Missing Modifiers 985	Score	985	From Date	06/06/2007 05:00:00	Line Count	2					
 High Member 968	Member	W85128984bY0	Procedure	92226							
 Dollar Day	Claim	Line	Procedure	Modifier	Paid	Provider	Diagnosis	Type of Service	Place of Service	Units	Review
	9n22223834	3	92226		\$54.00	998A5788n	36256	D MED	30	2	
	9n22223834	2	92226		\$54.00	998A5788n	36201	D MED	30	2	

## Exhibit C: Provider Analytic Scoring Example:

FICO Insurance Fraud Manager 3.2.1.0 - Internet Explorer provided by Fair Isaac Corporation	
https://www.demo.fim.fico.com/com/fairisaac/fim/web/pages/report/customReport.xhtml?ProviderID=821751198-2&groupName=ProviderSnapshot&ProviderName=MALIK%2C%20FAISAL%20SALEEM	
File Edit View Favorites Tools Help	
Favorites Fair Isaac WebEx Enterpris... ServiceNow IT Services Home - Applications Sale... FICO Insurance Fraud Ma... Salesforce.com Welcome to Rosetta Ston... Mendix App Platform Web Slice G	
FICO Insurance Fraud Manager 3.2.1.0	
Home Reports Search Claim Review Manual Suspect Administration	
Activity	Medical Model Summary
Activity Breakdown	
Age and Gender	
Diagnosis Group	
Procedure Group	
Per Month	
Drugs Dispensed	
Percent	
Percent of Dollars	
Percent of Claim Lines	
Percent of Members	
Percent of Visits	
Top	
Top Days	
Top Drugs	
Top Members	
Affiliations	
Vendors Affiliated	
Providers Affiliated	
Prescribers Affiliated	
Model Summary	
Medical Model Summary	
Dental Model Summary	
Pharmacy Model Summary	
ICD9 Model Summary	

Medical Model Summary		Summary
Provider ID	821751198-2	
Suspect Name	MALIK, FAISAL SALEEM	
Data Driven Specialty	208000000X Pediatrics	
Provider Specialty 1	208000000X Pediatrics	
Provider Specialty 2		
Provider Specialty 3		
Provider Specialty 4		
Provider Specialty 5		
Score	755	
Rank	5	
Total Amount Allowed	\$349,765.13	
Total Amount Paid	\$513,094.30	
Reason 1 Description	Member-Based Dollar Volume	
Reason 2 Description	Provider Rollup of Procedure Rate	
Reason 3 Description	Diagnosis Group Mix	
Reason 4 Description	Procedure Group Mix	
Reason 5 Description	Member-Based Service Volume	

## Exhibit D: Case Tracking Example:

Insurance Fraud Demonstration Environment - Windows Internet Explorer

https://www.demo.ifm.fico.com/com.fairisaac\_fm.web/pages/investigation/summarydetail/investigationDetails.faces?investigationId=H201012000

Web Search | Mail | My Yahoo! | Answers

Insurance Fraud Demons... | Invitations, Free eCards and... | (78 unread) att.net Mail, ms...

Investigation Summary

You can manage this investigation here. Select the required function from left sidebar menu.

Summary report

Investigation ID	H201012000	Parent ID	886055713
Suspect ID	999174152	Suspect Type	R
Suspect Name	GODWIN, KATHERINE	Suspect Sub-type	H
Investigation Status	OC1	Investigation Category	SO
Investigation Type	Investigation Case	Total Investigation Time	0 hour 30 min
Date of Birth		SSN	996753914
User defined Date of Birth		User defined SSN	996753914
# Investigations	2	Detection Source	DSFI
Assigned Users	Bill Carrell	Log Size	2
Created Date	07/23/2010	Created By	Paul Crowder
Last Updated Date	10/20/2010	Update By	Mark Isbits
Promotion Date			

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(Required) indicates mandatory field.

**Generate** **Update** **Save** **Delete** **Cancel**

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Document Template

**Correspondence**

There are no correspondence entries for this investigation.

Done

Internet 100%